

Estimated Hearing Date: Next Omnibus Hearing Date or an earlier date as ordered by the Court
Objection Deadline: August 24, 2023, at 4:00 p.m. (Atlantic Standard Time)

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**SUMMARY OF EIGHTH INTERIM APPLICATION OF NIXON PEABODY LLP FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR
REIMBURSEMENT OF EXPENSES AS SPECIAL COUNSEL TO THE FINANCIAL
OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, AS
REPRESENTATIVE OF THE PUERTO RICO ELECTRIC POWER AUTHORITY, FOR
THE PERIOD FROM JUNE 1, 2021 THROUGH SEPTEMBER 30, 2021**

Name of Applicant:

Nixon Peabody LLP

Authorized to Provide Professional Services
to:

The Financial Oversight and Management
Board for Puerto Rico, as Representative of
the Puerto Rico Electric Power Authority,
pursuant to Section 315(b) of PROMESA

Period for which compensation and
reimbursement are sought:

June 1, 2021 through September 30, 2021

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

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Amount of Compensation sought as actual, **\$108,160.00**
reasonable, and necessary:

Amount of Expense Reimbursement sought as \$0
actual, reasonable, and necessary:

Total compensation subject to objection: None

Total expenses subject to objection: None

This is a(n): ___ monthly X interim ___ final application

- Blended Rate in this application for attorneys: \$892.50/hr
- Blended Rate in this application for all timekeepers: N/A

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Schedule 1
Eighth Interim Compensation Period – Consolidated Fee Statements
June 1, 2021 – September 30, 2021

| Entity | Period | Fees requested to be paid (100%) | Fee previously requested to be paid (90%) | Expenses requested to be paid (100%) | Total Fees and Expenses requested to be paid |
|---------------|--|---|--|---|---|
| PREPA | June 1, 2021 through September 30, 2021 | \$108,160.00 | \$97,344.00 | N/A | \$108,160.00 |

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Schedule 2
Summary of Professional Services Rendered by Timekeeper for the Period
June 1, 2021 – September 30, 2021

| Professional | Position/Title | Hourly Billing Rate | Total Billed Hours | Total Compensation |
|---------------------|-----------------------|----------------------------|---------------------------|---------------------------|
| Mitchell Rapaport | Partner | \$990 | 22.70 | 22,473.00 |
| Virginia Wong | Partner | \$990 | .30 | 297.00 |
| Carla Young | Partner | \$990 | 13.00 | 12,870.00 |
| Sebastian Torres | Associate | \$600 | 4.20 | 2,610.00 |

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**EIGHTH INTERIM APPLICATION OF NIXON PEABODY LLP FOR ALLOWANCE
OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT
OF EXPENSES AS SPECIAL COUNSEL TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF THE
PUERTO RICO ELECTRIC POWER AUTHORITY, FOR THE PERIOD FROM
JUNE 1, 2021 THROUGH SEPTEMBER 30, 2021**

Nixon Peabody LLP (“Nixon”), as special counsel to the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as representative of the Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Electric Power Authority (“PREPA”) and certain other public corporations and instrumentalities of the Government of Puerto Rico (collectively, the “Debtors”), pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”) 48 U.S.C. §§ 2101-2241, hereby

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

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submits this Eighth interim application (the “Application”), pursuant to Sections 316 and 317 of PROMESA, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”),² Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”), and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* issued by the Executive Office for the United States Trustee, 28 CFR Part 58, Appendix B (the “Guidelines”), and in accordance with this Court’s *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (Dkt. No. 3269) (the “Interim Compensation Order”), for allowance of interim compensation for professional services performed by Nixon for the period commencing June 1, 2021 through and including September 30, 2021 (the “Compensation Period”) in the amount of \$108,160.00. In support of the Application, Nixon respectfully states as follows:

JURISDICTION

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction pursuant to Section 306(a) of PROMESA.
2. Venue is proper in this district pursuant to Section 307(a) of PROMESA.
3. Nixon submits the Application pursuant to Sections 316 and 317 of PROMESA.

BACKGROUND

1. On June 30, 2016, the Oversight Board was established under Section 101(b) of PROMESA.
2. Pursuant to Section 315 of PROMESA, “[t]he Oversight Board in a case under this

² The Bankruptcy Rules are made applicable to the Debtor’s Title III case pursuant to Section 301 of PROMESA.

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subchapter is the representative of the debtor” and “may take any action necessary on behalf of the debtor to prosecute the case of the debtor, including filing a petition under section [304] of [PROMESA] . . . or otherwise generally submitting filings in relation to the case with the court.” 48 U.S.C. § 2175.

3. On September 30, 2016, the Oversight Board designated the Debtors as “covered entities” under Section 101(d) of PROMESA.

4. On May 3, 2017, the Commonwealth, by and through the Oversight Board, as the Commonwealth’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

5. On May 5, 2017, the Puerto Rico Sales Tax Financing Corporation (“COFINA”), by and through the Oversight Board, as COFINA’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

6. On May 21, 2017, the Puerto Rico Highways and Transportation Authority (“HTA”), by and through the Oversight Board, as HTA’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

7. On May 21, 2017, the Employees Retirement System for the Commonwealth of Puerto Rico (“ERS”), by and through the Oversight Board, as ERS’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

8. On July 3, 2017, PREPA, by and through the Oversight Board, as PREPA’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

9. Through Orders of this Court, the Commonwealth, COFINA, HTA, ERS, and PREPA Title III Cases (together, the “Title III Cases”) are jointly administered for procedural

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purposes only, pursuant to Section 304(g) of PROMESA and Bankruptcy Rule 1015 [ECF Nos. 242, 537, 1417].

10. On October 6, 2017, the Court entered the *Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(a) Appointing a Fee Examiner and Related Relief* [ECF No. 1416], which appointed Brady Williamson of Godfrey & Kahn, S.C. to serve as Fee Examiner in the Title III Cases.

11. On July 28, 2021, Nixon served on the Notice Parties its monthly fee statement for the month of June of 2021.

12. On August 31, 2021, Nixon served on the Notice Parties its monthly fee statement for the month of July of 2021.

13. On October 1, 2021, Nixon served on the Notice Parties its monthly fee statement for the month of August of 2021.

14. On October 29, 2021, Nixon served on the Notice Parties its monthly fee statement for the month of September of 2021.

15. On August 17, 2021, Nixon provided the corresponding Monthly Fee Objection Statement for the June 2021 monthly fee statement to representatives of the Puerto Rico Treasury Department (the “Treasury”) and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”).

16. On September 16, 2021, Nixon provided the corresponding Monthly Fee Objection Statement for the July 2021 monthly fee statement to representatives of the Treasury and AAFAF.

17. On October 21, 2021, Nixon provided the corresponding Monthly Fee Objection Statement for the August 2021 monthly fee statement to representatives of the Treasury and AAFAF.

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18. Finally, on November 15, 2021, Nixon provided the corresponding Monthly Fee Objection Statement for the September 2021 monthly fee statement to representatives of the Treasury and AAFAF.

COMPENSATION REQUESTED

1. On June 7, 2019, Nixon executed an Independent Contractor Services Agreement with the Oversight Board to provide advice in connection with PREPA's transactions related to its transmission, distribution and generation assets, and specifically, the tax structuring options for such transactions (the "FY19 Agreement"). The FY19 Agreement was set to expire on June 30, 2019.

2. On July 1, 2019, Nixon executed an Independent Contractor Services Agreement with the Oversight Board to provide advice in connection with PREPA's transactions related to its transmission, distribution and generation assets, and specifically, the tax structuring options for such transactions (the "FY20 Agreement"). The FY20 Agreement was set to expire on June 30, 2020.

3. On July 1, 2020, Nixon executed an Independent Contractor Services Agreement with the Oversight Board to provide advice in connection with PREPA's transactions related to its transmission, distribution and generation assets, and specifically, the tax structuring options for such transactions (the "FY21 Agreement"). The FY21 Agreement was set to expire on June 30, 2021.

4. On July 1, 2021, Nixon executed an Independent Contractor Services Agreement with the Oversight Board to provide advice in connection with PREPA's transactions related to its transmission, distribution and generation assets, and specifically, the tax structuring options for such transactions (the "FY22 Agreement"). The FY21 Agreement was set to expire on June 30,

2022.

5. On July 1, 2022, Nixon executed an Independent Contractor Services Agreement with the Oversight Board to provide advice in connection with PREPA's transactions related to its transmission, distribution and generation assets, and specifically, the tax structuring options for such transactions (the "FY23 Agreement", and together with the FY19 Agreement and the FY20 Agreement, the FY21 Agreement and the FY22 Agreement, the "Agreements"). The FY23 Agreement is set to expire on June 30, 2023.

6. In accordance with the Interim Compensation Order, Nixon has provided copies of the Agreements to the Treasury and AAFAF.

7. Nixon's hourly rates are set at a level designed to compensate Nixon fairly for the work of its attorneys and professionals and are disclosed in the Agreements.

8. Pursuant to PREPA's certified fiscal plan, PREPA is required to separate its transmission and distribution ("T&D") and generation functions and transfer operation and maintenance responsibilities to third-party, professional operators, leveraging private sector management, experience, and expertise to effectively deliver reliable electricity to Puerto Rico's residents.

9. As to the T&D system, the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement and the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement were entered on June 22, 2022 (the "LUMA T&D Agreements"), between, among others, PREPA, LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA"). As a result, PREPA transitioned its operation and maintenance functions to LUMA on June 1, 2021, along with customer service and energy operation center responsibilities.

10. Similarly, PREPA's generation assets, comprised of existing PREPA-owned generation resources, will be operated and maintained by one or more private operators until their retirement, as laid out in the Integrated Resource Plan approved by the Puerto Rico Energy Bureau.

11. For the selection of a private operator(s) for its legacy generation assets, PREPA has been supporting the RFP process led by the Puerto Rico Public-Private Partnerships Authority ("P3A") and will work towards ensuring a timely and successful transition once the P3A completes the selection process.

12. Nixon is a nationally recognized bond counsel firm with more than 30 years of experience in all areas of public finance. Its Public Finance practice is one of the largest in the nation with more than 40 public finance and tax attorneys. The firm consistently ranks among the top bond counsel, underwriters' counsel, and disclosure counsel firms in the nation.

13. Nixon has advised, and will continue to, advise the Oversight Board on optimal tax structures for PREPA's restructuring and transformation of its legacy generation and T&D assets pursuant to PREPA's certified fiscal plans. In this capacity, Nixon is engaged to provide tax-exempt bond law analysis, render opinions related to federal tax issues and prepare tax-related documentation and disclosure, among other things.

14. As of this date, Nixon has delivered three legal opinions in connection with the LUMA T&D Agreements and expects to deliver additional legal opinions with respect to the creation of one or more affiliates of PREPA to which PREPA would transfer all or a portion of its electric generation facilities.

15. Pursuant to the Interim Compensation Order, Nixon hereby seeks an allowance of \$108,160.00 as compensation for professional services rendered during the Compensation Period in connection with such professional services.

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16. Nixon's itemized time records for attorneys and professionals performing services for the Oversight Board during the Compensation Period is attached hereto as **Exhibit A**.

17. During the Compensation Period, Nixon billed the Oversight Board for time expended by its attorneys and professionals based on Nixon's hourly rate for each attorney and professional as detailed in Schedule 2 of the summary of this Application, except for the fixed fee billed in the **June 2021** monthly fee statement in connection with the LUMA T&D Agreements/GenCo Generation Agreements.]

18. The fees charged by Nixon are in accordance with the firm's existing billing rates and procedures in effect during the Compensation Period and are appropriate for complex securities and tax advantage financing matters. The rates and rate structure reflect that such complex matters typically involve great complexity, high stakes, and intense time pressures. Nixon submits that the compensation requested is reasonable in light of the nature, extent, and value of such services provided to the Oversight Board.

19. The services for which Nixon is requesting approval of the Court were performed for the Oversight Board as representative of PREPA. In connection with the matter covered by this Application, Nixon received no payment and no promises of payment for services rendered, or to be rendered, from any source other than the Debtors. There is no agreement or understanding between Nixon and any other person, other than members of the firm, for the sharing of compensation received for services rendered under the Agreements.

20. Sections 316 and 317 of PROMESA provide for interim compensation of professionals and govern the Court's award of such compensation. 48 U.S.C. §§ 2176-2177. Section 316 of PROMESA provides that a court may award a professional person employed by the Debtors or the Oversight Board under PROMESA "(1) reasonable compensation for actual,

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necessary services rendered by the professional person, or attorney and by any paraprofessional person employed by any such person; and (2) reimbursement for actual, necessary expenses.” 48 U.S.C. § 2176(a).

21. Section 316 of PROMESA also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded ... the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

- (1) the time spent on such services;
- (2) the rates charged for such services;
- (3) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this chapter;
- (4) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (5) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (6) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this subchapter or title 11.

48 U.S.C. § 2176(c).

22. As noted above, the professional services object of this Application were necessary and beneficial to the Oversight Board as representative of PREPA.

ATTORNEY CERTIFICATION

1. In accordance with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4), the

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undersigned has reviewed the requirements of Puerto Rico Local Bankruptcy Rule 2016-1(a)(4) and certifies to the best of his information, knowledge, and belief that this Application complies with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4). In this regard, and incorporated herein by reference, the Certification of Mitchell Rapaport in accordance with the U.S. Trustee Guidelines is attached hereto as **Exhibit B**.

RESERVATION OF RIGHTS

1. Nixon reserves the right to request compensation for services and reimbursement of such expenses in a future application that have not been processed in relation to the Compensation Period object of this Application.

NOTICE

1. Pursuant to the Interim Compensation Order, notice of this Application has been filed in the Title III Cases and served upon:

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(a) the Financial Oversight and Management Board:

Financial Oversight and Management Board
40 Washington Square South, Office 314A
New York, NY 10012
Attn: Professor Arthur J. Gonzalez, Oversight Board Member

(b) attorneys for the Oversight Board:

Proskauer Rose LLP
Eleven Times Square
New York, NY 10036,
Attn: Martin J. Bienenstock, Esq. (mbienenstock@proskauer.com)
Ehud Barak, Esq. (ebarak@proskauer.com)

and

Proskauer Rose LLP
70 West Madison Street
Chicago, IL 60602
Attn: Paul V. Possinger, Esq. (ppossinger@proskauer.com)

(c) attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority:

O'Melveny & Myers LLP
Times Square Tower
7 Times Square, New York, NY 10036
Attn: John J. Rapisardi, Esq. (jrapisardi@omm.com)
Suzanne Uhland, Esq. (suhland@omm.com)
Diana M. Perez, Esq. (dperez@omm.com)

(d) attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority:

Marini Pietrantonio Muñiz LLC
MCS Plaza, Suite 500
255 Ponce de León Ave
San Juan, PR 00917
Attn: Luis C. Marini-Biaggi, Esq. (lmarini@mpmlawpr.com)
Carolina Velaz-Rivero Esq. (cvelaz@mpmlawpr.com)

(e) the Office of the United States Trustee for the District of Puerto Rico, Edificio Ochoa:

Office of the United States Trustee for the District of Puerto Rico,
Edificio Ochoa
500 Tanca Street, Suite 301
San Juan, PR 00901
(re: *In re: Commonwealth of Puerto Rico*)

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(f) attorneys for the Official Committee of Unsecured Creditors:

Paul Hastings LLP
200 Park Ave.
New York, NY 10166
Attn: Luc. A Despins, Esq. (lucdespins@paulhastings.com)

(g) attorneys for the Official Committee of Unsecured Creditors:

Casillas, Santiago & Torres LLC
El Caribe Office Building
53 Palmeras Street, Ste. 1601
San Juan, PR 00901
Attn: Juan J. Casillas Ayala, Esq. (jcasillas@cstlawpr.com)
Alberto J.E. Añeses Negrón, Esq. (aaneses@cstlawpr.com)

(h) attorneys for the Official Committee of Retired Employees:

Jenner & Block LLP
919 Third Ave.
New York, NY 10022
Attn: Robert Gordon, Esq. (rgordon@jenner.com)
Richard Levin, Esq. (rlevin@jenner.com)

and

Jenner & Block LLP
353 N. Clark Street
Chicago, IL 60654
Attn: Catherine Steege, Esq. (csteege@jenner.com)
Melissa Root, Esq. (mroot@jenner.com)

(i) attorneys for the Official Committee of Retired Employees:

Bennazar, García & Milián, C.S.P.
Edificio Union Plaza, PH-A
416 Ave. Ponce de León
Hato Rey, PR 00918
Attn: A.J. Bennazar-Zequeira, Esq. (ajb@bennazar.org)

(j) the Puerto Rico Department of Treasury:

Puerto Rico Department of Treasury
PO Box 9024140
San Juan, PR 00902-4140
Attn: Reylam Guerra Goderich, Deputy Assistant of Central Accounting
(Reylam.Guerra@hacienda.pr.gov)
Omar E. Rodríguez Pérez, CPA, Assistant Secretary of Central
Accounting (Rodriguez.Omar@hacienda.pr.gov)
Angel L. Pantoja Rodríguez, Deputy Assistant Secretary of Internal
Revenue and Tax Policy (angel.pantoja@hacienda.pr.gov)
Francisco Parés Alicea, Secretary of the Puerto Rico Treasury

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Department (francisco.pares@hacienda.pr.gov)
Francisco Peña Montañez, CPA, Assistant Secretary of the Treasury
(Francisco.Pena@hacienda.pr.gov)

(k) attorneys for the Fee Examiner:

EDGE Legal Strategies, PSC
252 Ponce de León Avenue
Citibank Tower, 12th Floor
San Juan, PR 00918
Attn: Eyck O. Lugo (elugo@edgelegalpr.com)

(l) attorneys for the Fee Examiner:

Godfrey & Kahn, S.C.
One East Main Street, Suite 500
Madison, WI 53703
Attn: Katherine Stadler (KStadler@gklaw.com)

(m) attorneys for AAFAF in the PREPA Title III proceeding:

Greenberg Taurig LLP
200 Park Avenue
New York, NY 10166
Attn. Nathan A. Haynes, Esq., haynesn@gtlaw.com

(n) attorneys for the U.S. Bank National Association:

Maslon LLP
90 South Seventh Street, Suite 3300
Minneapolis, MN 55402
Attn: Clark T. Whitmore, Esq. (clark.whitmore@maslon.com)
William Z. Pentelovitch, Esq., (bill.pentelovitch@maslon.com)
John T. Duffey, Esq. (john.duffey@maslon.com)
Jason M. Reed, Esq. (jason.reed@maslon.com)

(o) attorneys for the U.S. Bank National Association:

Rivera, Tulla and Ferrer, LLC
50 Quisqueya Street
San Juan, PR 00917
Attn: Eric A. Tulla, Esq. (etulla@riveratulla.com)
Iris J. Cabrera-Gómez, Esq. (icabrera@riveratulla.com).

WHEREFORE Nixon respectfully requests that the Court enter an order (a) allowing interim compensation for professional services rendered during the Compensation Period in the amount of \$108,160.00 (including the 10% professional compensation holdback amount); (b) directing the Commonwealth to pay promptly to Nixon the difference between (i) the amount of

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interim compensation for professional services rendered, and reimbursement of expenses incurred during the Compensation Period allowed hereunder, and (ii) the amounts for such compensation and expenses previously paid to Nixon, consistent with the provisions of the Interim Compensation Order; (c) allowing such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred without prejudice to Nixon's right to seek additional compensation for services performed and expenses incurred during the Compensation Period, which were not processed at the time of this Application; and (d) granting Nixon such other and further relief as is just and proper.

Dated: August 4, 2023
New York, New York

Respectfully submitted,

/s/ Sebastian M. Torres Rodríguez

USDC No. 301211
Nixon Peabody LLP
Tower 46
55 West 46th Street
New York, NY 10036-4120
Telephone: (212) 940-3072
Facsimile: (833) 936-0842

Exhibit A

ITEMIZED TIME RECORDS

June 2021

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

| <u>Date</u> | <u>Timekeeper</u> | <u>Hours</u> | <u>Description of Services</u> |
|-------------|---------------------|--------------|--|
| 06/01/21 | C. Young | 0.90 | Review and respond to e-mails from M. Rapaport regarding GridCo subsidiary. Call with M. Rapaport regarding GridCo subsidiary and final documents relating to Shared Services Agreement. |
| 06/01/21 | M. Rapaport | 3.30 | Review various LUMA documents. E-mails and telephone calls with Cleary regarding opinion and documents and closing. E-mails to LUMA's counsel regarding closing. Various telephone calls and e-mails regarding LUMA closing process. |
| 06/11/21 | S. Torres-Rodriguez | 1.50 | Search and track status of our interim fee applications in the Title III Docket, review the Fee Examiner Reports and confer with M. Rapaport regarding the same. |
| 06/22/21 | M. Rapaport | 0.50 | Review materials related to PREPA change in accounting. |
| 06/29/21 | M. Rapaport | 0.50 | E-mails regarding revised generation contract. |
| | TOTAL HOURS: | 6.70 | |

TOTAL FEES: \$6,048.00

Time and Expense Records for June 2021 (**Fixed Fee**)

For Professional Fees:

MATTER NO.: 000002 PREPA TAX ADVICE

For Professional Fees:

Fees for advice to the Board related to the PREPA transaction, including the tax structuring options for that transaction, including delivery of the legal opinions pursuant to (i) the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated as of June 22, 2020 between, among others, the Puerto Rico Electric Power Authority, LUMA Energy, LLC and LUMA Energy ServCo, LLC and (ii) the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement dated as of June 22, 2020 between, among others, the Puerto Rico Electric Power Authority, LUMA Energy, LLC and LUMA Energy ServCo, LLC.

| | |
|--|---------------------------|
| TOTAL FOR MATTER -- PREPA TAX ADVICE: | <u>\$70,000.00</u> |
| TOTAL FOR STATEMENT: | <u>\$70,000.00</u> |

90% of compensation sought as actual, reasonable and necessary: **\$63,000**
10% Holdback: **\$7,000**

July 2021

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

| Date | Timekeeper | Hours | Description of Services |
|------------------|-------------|-------|--|
| 07/01/21 | M. Rapaport | 2.50 | Review Generation Contract. |
| 07/04/21 | M. Rapaport | 0.40 | Review Generation Contract. |
| 07/05/21 | M. Rapaport | 0.50 | Review Generation Contract. |
| 07/06/21 | C. Young | 1.00 | Review and comment on changes to QMA. E-mails with M. Rapaport. |
| 07/06/21 | M. Rapaport | 3.70 | Review Generation O&M contract. Review prior comments. Review C. Young comments. Draft e-mail to Ankura regarding O&M contract. Prepare comments for e-mail to Cleary. E-mails to S. Torres-Rodriguez regarding Act 164. |
| 07/12/21 | C. Young | 0.80 | E-mails with M. Rapaport regarding diligence site (.2). Review changes to O&M Agreement (.4). E-mails with M. Rapaport regarding changes to O&M Agreement (.2). |
| 07/12/21 | M. Rapaport | 1.50 | Review changes to Generation Contract. Review new documents in data room. |
| 07/13/21 | M. Rapaport | 1.50 | Review materials posted to data room. E-mail to Ankura regarding S&L report. |
| 07/14/21 | M. Rapaport | 0.40 | E-mails to Lucas regarding S&L analysis. |
| 07/20/21 | M. Rapaport | 0.30 | E-mails to Ankura regarding S&L work product. |
| 07/26/21 | C. Young | 0.30 | Review addendum to RFP and revise QMA distributed to bidders. |
| Task Total: None | | 12.90 | Task Fees: 12,771.00 |

TOTAL HOURS: 12.90

TOTAL FEES: \$12,771.00

August 2021

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

| Date | Timekeeper | Hours | Description of Services |
|------------------|---------------------|-------|--|
| 08/13/21 | S. Torres-Rodriguez | 2.70 | Check status of invoices 10161158, 10161631 and 10161638; send electronic communication to the P.R. Department of Treasury and confer with M. Rapaport regarding the same. |
| 08/24/21 | M. Rapaport | 0.40 | Telephone call with D. Brownstein related to PREPA tax issues. |
| 08/27/21 | C. Young | 2.00 | Review email regarding vegetation contract and need for tax opinion. Review and analyze O&M and Supplemental Agreement regarding need for tax opinion. Review and analyze vegetation contract for compliance with IRS safe harbors. Emails with M. Rapaport. Emails with working group regarding tax opinion. Emails with M. DiConza and M. Rapaport regarding PREPA subsidiary. |
| 08/27/21 | M. Rapaport | 0.70 | Emails regarding transfer of assets to new affiliates. Emails regarding service contract. |
| 08/29/21 | M. Rapaport | 0.50 | Reviewed emails regarding transfer of assets to new affiliates. |
| 08/30/21 | M. Rapaport | 0.60 | Emails regarding PREPA transfer to new entity and contract for services. |
| 08/30/21 | C. Young | 0.30 | Emails with M. Rapaport regarding opinion on vegetation contract. |
| Task Total: None | | 7.20 | Task Fees: 6,075.00 |

TOTAL HOURS: 7.20

TOTAL FEES: \$6,075.00

September 2021

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

| Date | Timekeeper | Hours | Description of Services |
|------------------------|-------------|-------|---|
| 04: Category 4 | | | |
| 09/15/21 | V. Wong | 0.30 | Review correspondence regarding T&D Geberatuib Operating Agreement. |
| Task Total: Category 4 | | 0.30 | Task Fees: 297.00 |
| 09/01/21 | M. Rapaport | 0.50 | Reviewed documents related to new generation entity. Emails to C. Young. |
| 09/01/21 | C. Young | 2.50 | Draft tax opinion and reliance letter for Covered Contract (Wright Tree Services). Emails with M. Rapaport. Review and analyze Operating Agreement for PREPA subsidiary. |
| 09/02/21 | C. Young | 0.30 | Emails with working group regarding final executed version of contract. |
| 09/07/21 | M. Rapaport | 0.30 | Emails to V. Wong and Citi. |
| 09/08/21 | C. Young | 0.30 | Emails with M. Rapaport. |
| 09/08/21 | M. Rapaport | 0.40 | Emails to C. Young regarding LUMA opinions. |
| 09/10/21 | M. Rapaport | 0.80 | Emails to O'Melveny regarding formation of new PREPA Generation Entity. Telephone call with D. Brownstein regarding new PREPA entity. |
| 09/14/21 | C. Young | 1.90 | Review and analyze execution version of contract. Update contract tax opinion and send to M. Rapaport. Review and analyze GenCo Operating Agreement, GenCo Capital Contribution Agreement and draft of TD-Generation Operating Agreement. |
| 09/15/21 | M. Rapaport | 1.00 | Emails regarding transfer of PREPA assets to new tentities. Reviewed opinion on LUMA contract. |
| 09/15/21 | C. Young | 1.80 | Review comments to opinion and reliance letter for vegetation contract. Revise opinion and reliance letter and distribute to working group. Review emails regarding PREPA reorganization. Emails with working group regarding PREPA reorganization documents. |
| 09/25/21 | C. Young | 0.30 | Emails with Cleary and M. Rapaport regarding PREPA reorganization (.3). |

Estimated Hearing Date: Next Omnibus Hearing Date or an earlier date as ordered by the Court

Objection Deadline: August 24, 2023, at 4:00 p.m. (Atlantic Standard Time)

| | | | | |
|------------------|-------------|-------|--|----------------------|
| 09/28/21 | C. Young | 0.60 | Emails with M. Rapaport regarding PREPA reorganization and shared operating agreement. Call with M. Rapaport regarding contribution agreement. | |
| 09/28/21 | M. Rapaport | 2.00 | Reviewed PREPA GRIDCO documents. Emails to C. Young and Cleary. | |
| 09/29/21 | M. Rapaport | 0.40 | Emails to J. Koury. | |
| Task Total: None | | 13.10 | | Task Fees: 12,969.00 |

TOTAL HOURS: 13.40

TOTAL FEES: **\$13,266.00**

Estimated Hearing Date: Next Omnibus Hearing Date or an earlier date as ordered by the Court
Objection Deadline: August 24, 2023, at 4:00 p.m. (Atlantic Standard Time)

Exhibit B

ATTORNEY CERTIFICATION

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**CERTIFICATION OF MITCHELL RAPAPORT PURSUANT TO PUERTO RICO
LOCAL BANKRUPTCY RULE 2016-1(a)(4)**

Mitchell Rapaport, under penalty of perjury, certifies as follows:

1. I am a partner with the law firm of Nixon Peabody LLP (“Nixon”).
2. I make this certification in accordance with Rule 2016-1(a)(4) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”) regarding the contents of applications for compensation and expenses.
3. I am familiar with the work performed by Nixon for the Financial Oversight and

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Estimated Hearing Date: Next Omnibus Hearing Date or an earlier date as ordered by the Court
Objection Deadline: August 24, 2023, at 4:00 p.m. (Atlantic Standard Time)

Management Board for Puerto Rico (the “Oversight Board”), acting for or on behalf of the Puerto Rico Electric Power Authority (“PREPA”).

4. I have read the *Eighth Interim Application of Nixon Peabody LLP for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Special Counsel to the Financial Oversight and Management Board for Puerto Rico, as representative of the Puerto Rico Electric Power Authority, for the Period from June 1, 2021 through September 30, 2021* (the “Application”), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

5. To the best of my knowledge, information, and belief, formed after reasonable inquiry, the fees and disbursements sought in the Application are permissible under the Fee Examiner Guidelines, PROMESA, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Interim Compensation Order, the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013* (the “Guidelines”), and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico.

6. I hereby certify that no public servant of the Puerto Rico Department of Treasury is a party to or has any interest in the gains or benefits derived from the contract that is the basis of this invoice. The only consideration for providing services under the contract is the payment agreed upon with the authorized representatives of the Oversight Board. The amount of this invoice is reasonable. The services were rendered and the corresponding payment has not been made. To

Estimated Hearing Date: Next Omnibus Hearing Date or an earlier date as ordered by the Court
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the best of my knowledge, Nixon does not have any debts owed to the Government of Puerto Rico or its instrumentalities.

Dated: August 4, 2023

/s/ Mitchell Rapaport

Mitchell Rapaport

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**ORDER APPROVING THE EIGHTH INTERIM FEE APPLICATION OF NIXON
PEABODY LLP FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS SPECIAL COUNSEL TO THE
FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, AS
REPRESENTATIVE OF THE PUERTO RICO ELECTRIC POWER AUTHORITY, FOR
THE PERIOD FROM JUNE 1, 2021 THROUGH SEPTEMBER 30, 2021**

Upon the application (the “Application”)² of Nixon Peabody LLP (“Nixon”), as attorneys for the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) acting as representative of the Debtors under Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),³ seeking, pursuant to (a) Sections 316 and 317 of PROMESA, (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure, (c) Local Rule 2016-1,

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Capitalized terms not defined in this order will have the meanings ascribed to them in the Application.

³ PROMESA has been codified in 48 U.S.C. §§ 2101-2241.

Estimated Hearing Date: Next Omnibus Hearing Date or an earlier date as ordered by the Court
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(d) the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* issued by the Executive Office for the United States Trustee, 28 CFR Part 58, Appendix B, and (e) this Court's *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (Dkt. No. 3269), an allowance of interim compensation for professional services rendered for the period commencing June 1, 2021 through and including September 30, 2021 in the amount of \$108,160.00; and, this Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is hereby **ORDERED** that:

1. The Application is APPROVED as set forth herein.
2. Compensation to Nixon for professional services rendered during the Compensation Period is allowed on an interim basis in the amount of \$108,160.00.
3. The Debtor is authorized to pay Nixon all fees and expenses allowed pursuant to this Order, including those that were previously held back pursuant to the Interim Compensation Order, less any amounts previously paid for such fees and expenses under the terms of the Interim Compensation Order.
4. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

Dated: August 4, 2023
San Juan, Puerto Rico

Honorable Laura Taylor Swain
United States District Judge